

The U. S. Department of Labor, Wage and Hour Division, recently released its final changes to the Fair Labor Standards Act's (FLSA) "white collar" exemption regulations (Part 541). The new rules take effect August 23, 2004.

The new exemption regulations contain significant changes to the FLSA "salary basis" test for determining when workers may qualify as bona fide executive, administrative or professional employees and, hence be exempt from the act's minimum wage and overtime pay requirements. Also relevant is the fact that under the new regulations employers are permitted to dock exempt employees' wages on a day-by-day basis for violation of "workplace conduct" rules, as long as the rules are outlined in a written policy.

The State Personnel Board in conjunction with the U. S. Department of Labor is sponsoring training on the new regulations to State agency representatives on August 11, 2004, in the Department of Education's auditorium.

Because of potential legal liability and fiscal exposure, it is crucial that each agency re-examine their positions pursuant under the guidance of the regulations to determine each employee's status as either exempt or non-exempt.

For further information you may access the Department of Labor's website at [www.dol.gov/fairpay](http://www.dol.gov/fairpay).